



Tennessee Education Lottery Scholarship Program Annual Report

Tennessee Higher Education Commission

January 29, 2009



Statutory Charge

- Research and analyze data concerning the TELS scholarship and grant programs
 - “including, but not limited to, student success and scholarship retention”
- Report findings annually to the education committees of the Senate and the House of Representatives



Tennessee Education Lottery Scholarship

Eligibility Criteria, 2008-09



| | HOPE (base) | General Assembly Merit Scholarship | ASPIRE (HOPE with need supplement) | Access Award | Wilder-Naifeh Technical Skills Grant |
|------------------------------|--|------------------------------------|------------------------------------|---|--------------------------------------|
| Amount (4-yr.) | \$4,000 | \$5,000 | \$5,500 | \$2,750 | N/A |
| Amount (2-yr.) | \$2,000 | \$3,000 | \$3,500 | \$1,750 | \$2,000 |
| Minimum High School GPA | 3.00 | 3.75 | 3.00 | 2.75 | N/A |
| Minimum ACT Composite | <u>or</u> 21 | <u>and</u> 29 | <u>or</u> 21 | <u>and</u> 18-20 | N/A |
| Family Adjusted Gross Income | N/A | N/A | \$36,000 or less | \$36,000 or less | N/A |
| College Retention GPA | Traditional Path - Cumulative 2.75 at 24 & 48 hours, cumulative 3.0 at 72, 96 hours | | | Cumulative 2.75 at 24 hours allows qualification for HOPE | Satisfactory academic progress |
| | Provisional Path - Cumulative 2.75-2.99 at 72, 96, 120 hours with 3.0 prior semester | | | | |

Scholarship Recipients and Dollars Awarded 2004-05 through 2007-08



| | 2004-05 | | 2005-06 | | 2006-07 | | 2007-08 | |
|--------------------------------------|----------------------|---------------------|----------------------|----------------------|---------------|----------------------|---------------|----------------------|
| | Students | Dollars | Students | Dollars | Students | Dollars | Students | Dollars |
| HOPE | included in Subtotal | | included in Subtotal | | 33,120 | \$108,342,867 | 37,272 | \$126,897,145 |
| GAMS | | | | | 3,939 | \$18,221,157 | 4,579 | \$22,047,176 |
| ASPIRE | | | | | 11,629 | \$52,805,363 | 12,722 | \$59,381,930 |
| Subtotal (HOPE, GAMS, ASPIRE) | 31,272 | \$86,650,189 | 40,275 | \$126,345,913 | 48,688 | \$179,369,387 | 54,573 | \$208,326,251 |
| HOPE ACCESS Grant | 108 | \$152,560 | 265 | \$490,294 | 315 | \$639,716 | 345 | \$720,261 |
| Wilder-Naifeh Grant | 8,815 | \$6,613,273 | 10,023 | \$7,860,163 | 9,725 | \$8,079,913 | 10,429 | \$11,810,022 |
| HOPE Foster Care Grant | n/a | n/a | 30 | \$88,245 | 17 | \$34,604 | 14 | \$36,285 |
| Dual Enrollment Grant | n/a | n/a | 5,465 | \$2,060,356 | 8,308 | \$3,601,522 | 10,931 | \$4,804,919 |
| Math & Science Teachers | n/a | n/a | n/a | n/a | n/a | n/a | 31 | \$62,000 |
| Total | 40,195 | \$93,416,022 | 56,058 | \$136,844,971 | 67,053 | \$191,725,142 | 76,292 | \$225,697,738 |

Source: Tennessee Student Assistance Corporation (TSAC) year-end report

- 2008-09 estimate = \$266 Million
- 2009-10 estimate = \$274 Million

TELS Student Demographics

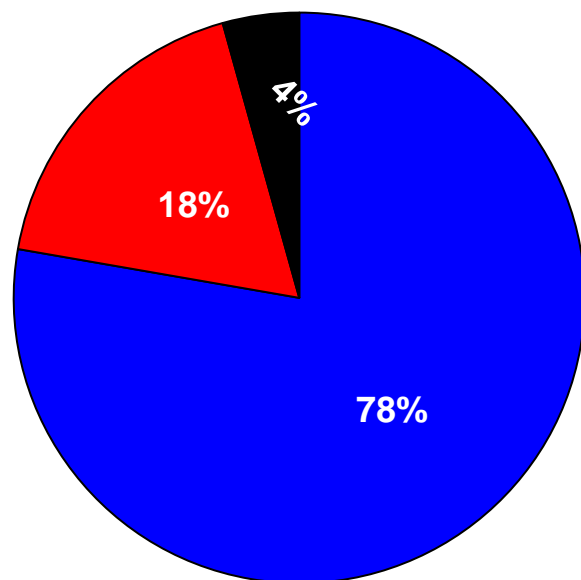


- Characteristics of students consistent over time
- First-time Freshmen
 - 84 percent white, 16 percent minority
 - 56 percent female, 44 percent male
 - 62 percent public 4-year, 23 percent public 2-year, 15 percent independent
 - 54 percent qualify by ACT and HS GPA, 28 percent on HS GPA only, 18 percent on ACT only
 - Slight changes in income, sector
 - 27 percent under \$36K, 28 percent over \$96K
 - 69 percent of FTF at public institutions on TELS
 - 94 percent at UT, 82 percent at TBR 4 year, 42 percent at TBR 2 year

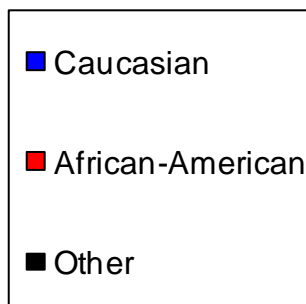
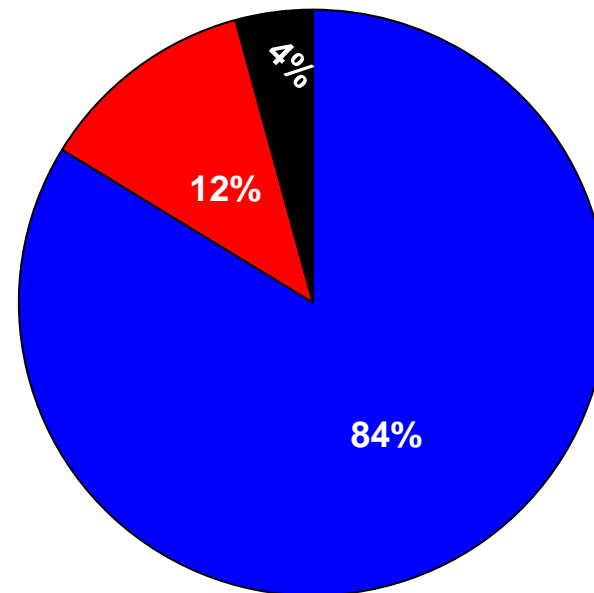


Fall 2008 Freshmen¹ by Race/Ethnicity

All First-Time Freshmen



First-Time Freshmen on Lottery Scholarship²

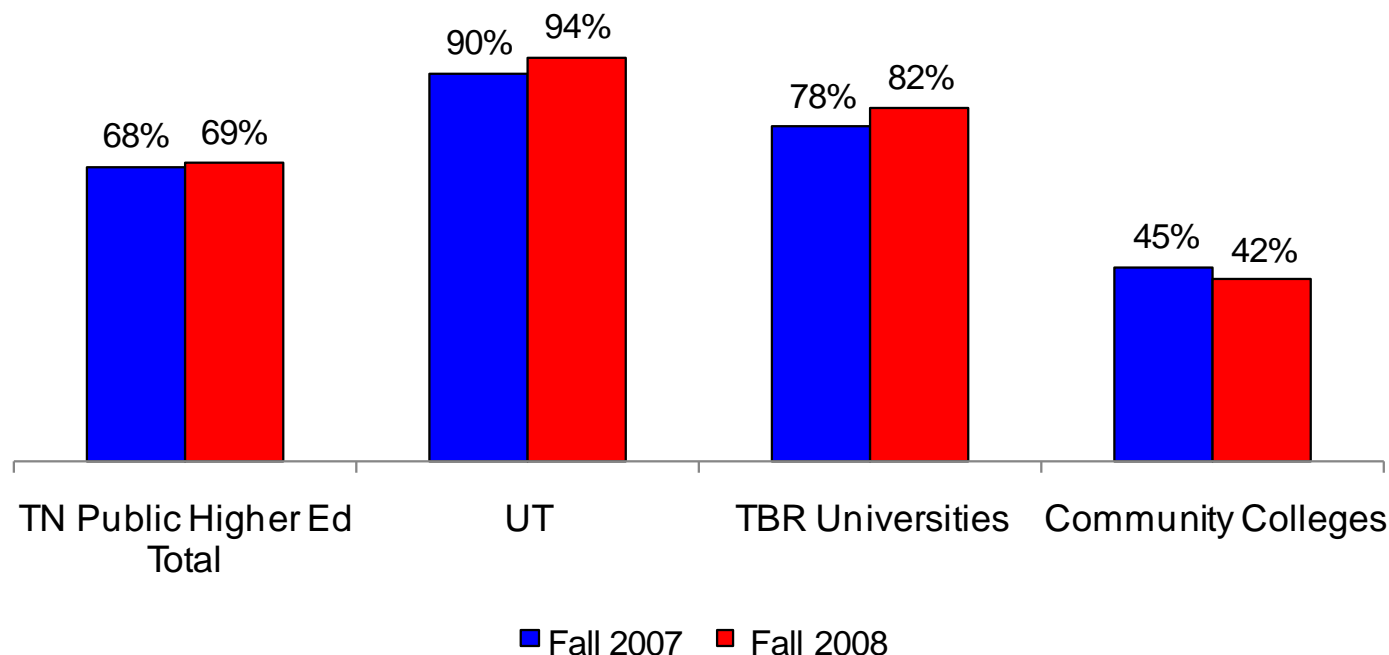


1. Public institutions only; Tennessee residents age 19 or younger enrolled Fall 2007 as first-time freshmen.

2. First-time freshmen receiving HOPE, GAMS, ASPIRE, or Access awards.



Percent of First-time Freshmen Attending on a Lottery Scholarship



69 percent of Fall 2008 Tennessee resident first-time freshmen in public institutions attended on a lottery scholarship. The percentage of students on scholarship increased at universities and decreased at community colleges.

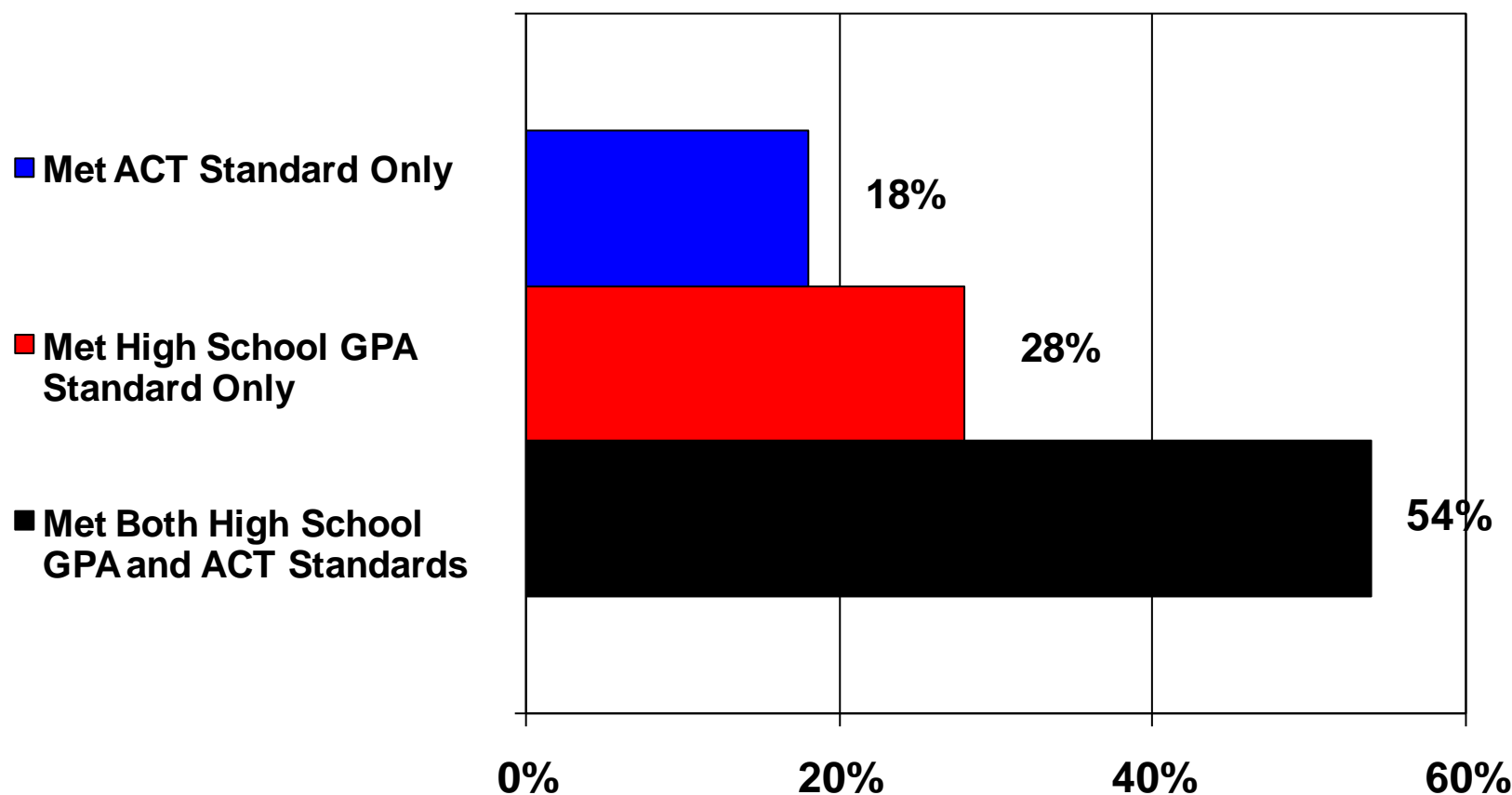
* Tennessee resident first-time freshmen who were 19 or younger; public institutions only.
HOPE, GAMS, ASPIRE, and Access awards only.





Academic Preparation

Qualification Standards Met by Fall 2008 First-Time Freshman TELS Recipients*



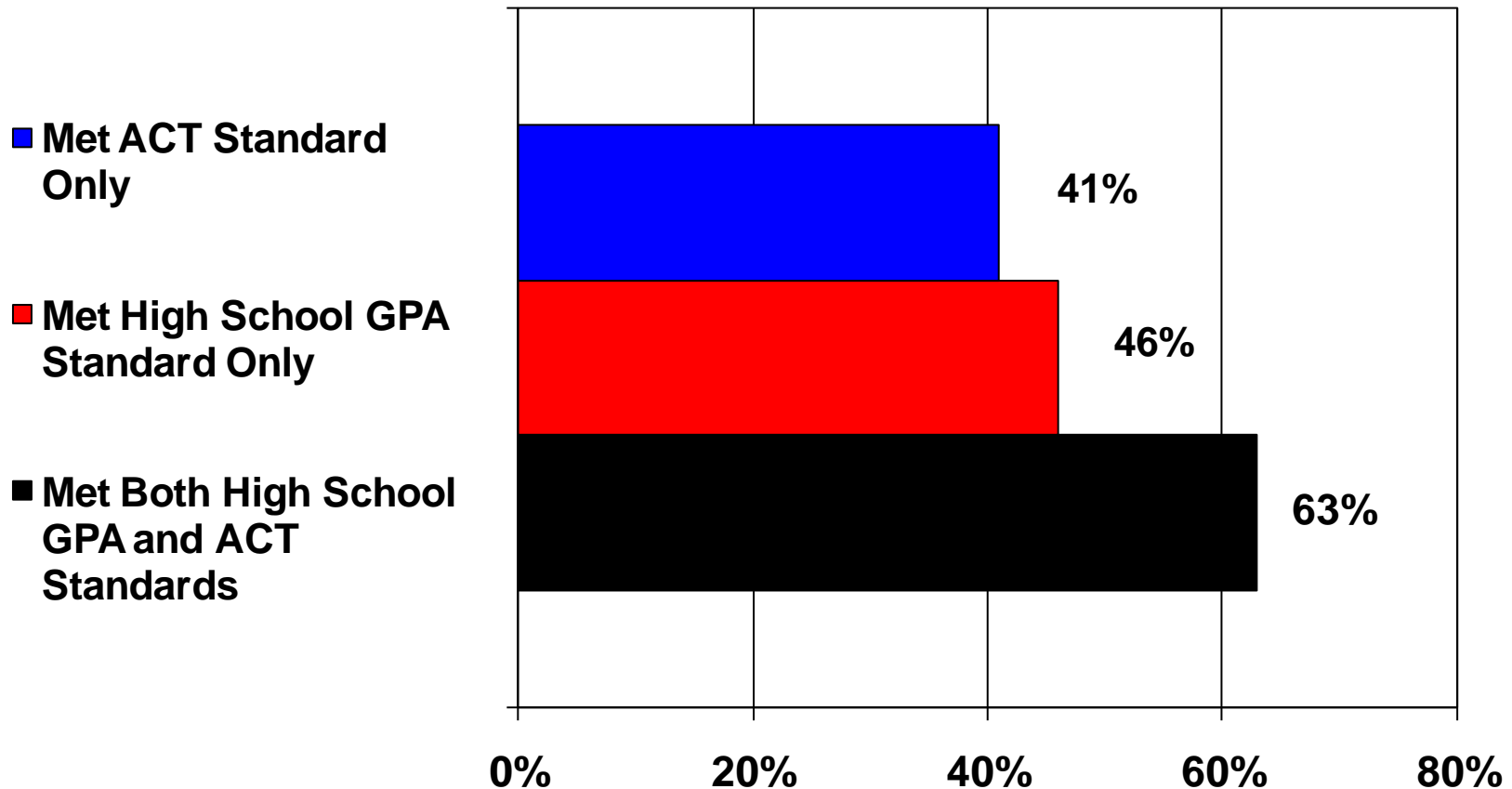
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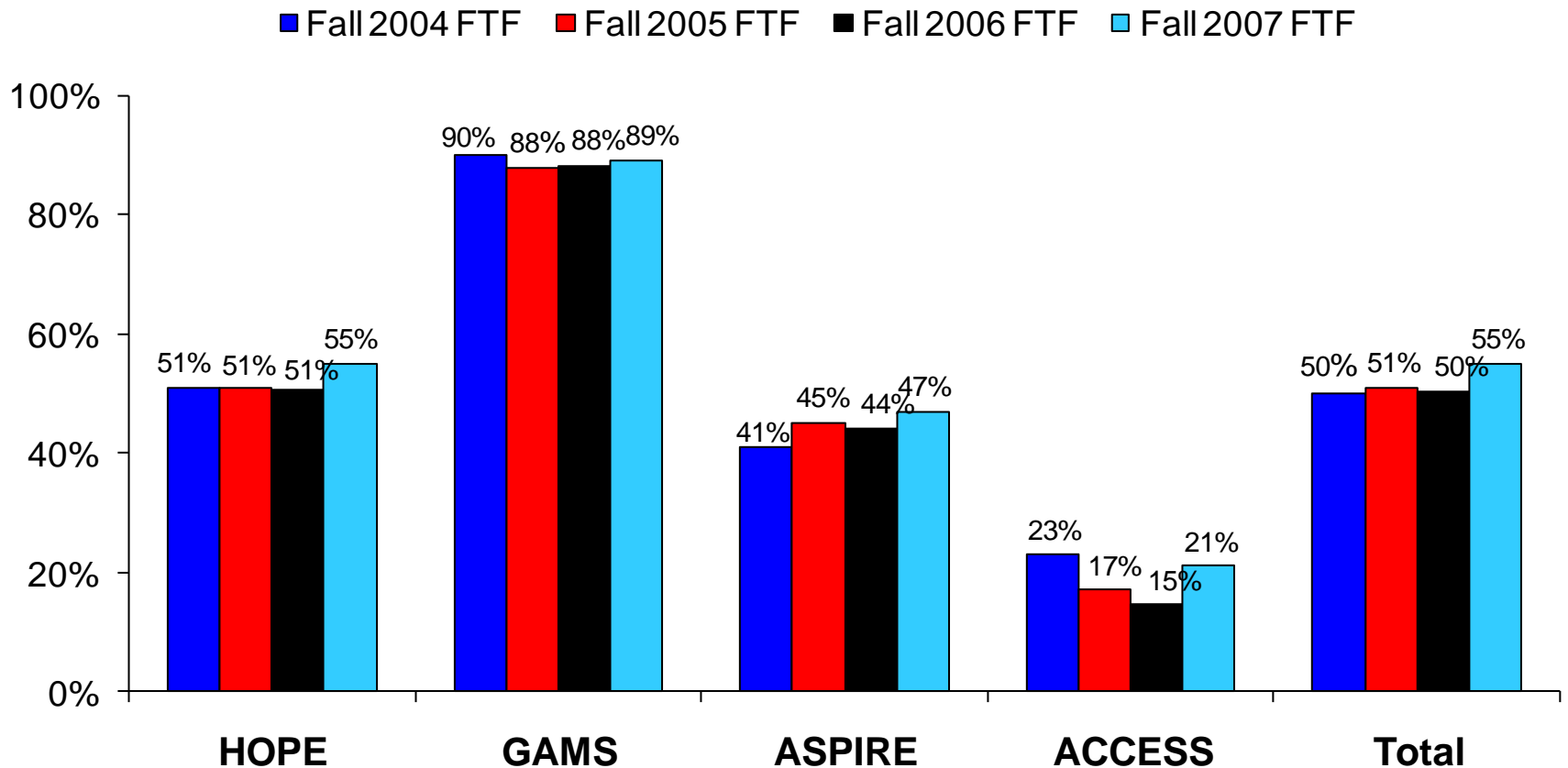
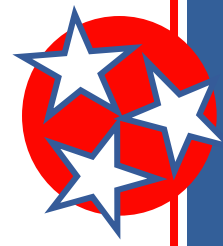
Scholarship Renewal Rates

Fall 2007 First-Time Freshman TELS Recipients*



* Public institutions only; HOPE, GAMS, ASPIRE, and Access awards; only students for whom both ACT and HS GPA were reported.

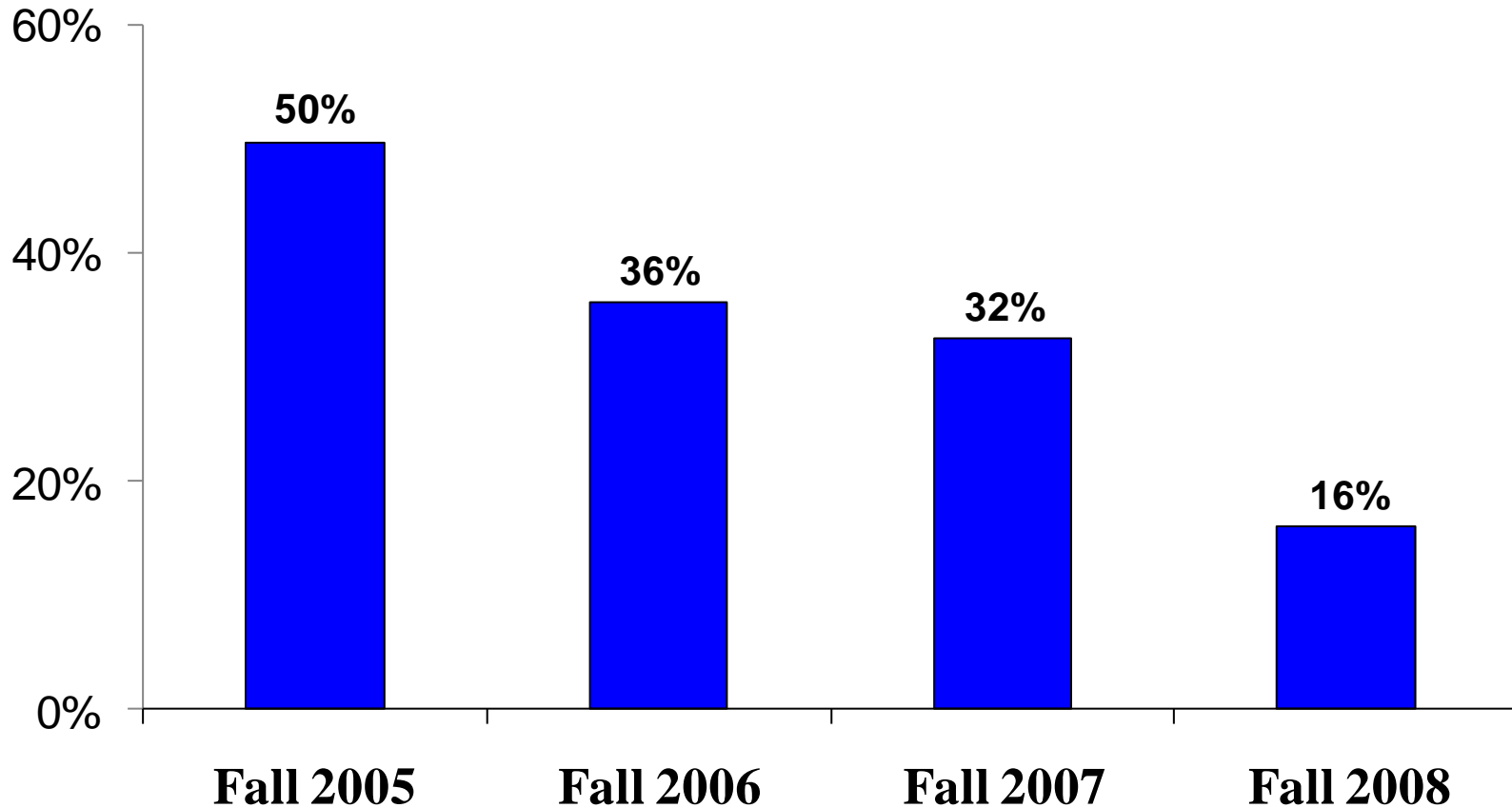
First-time Freshmen Second Year Scholarship Renewal Rates by Award Type*



* Public institutions only



Fall 2004 First-time Freshmen Cumulative Scholarship Renewal Rates (All Award Types*)

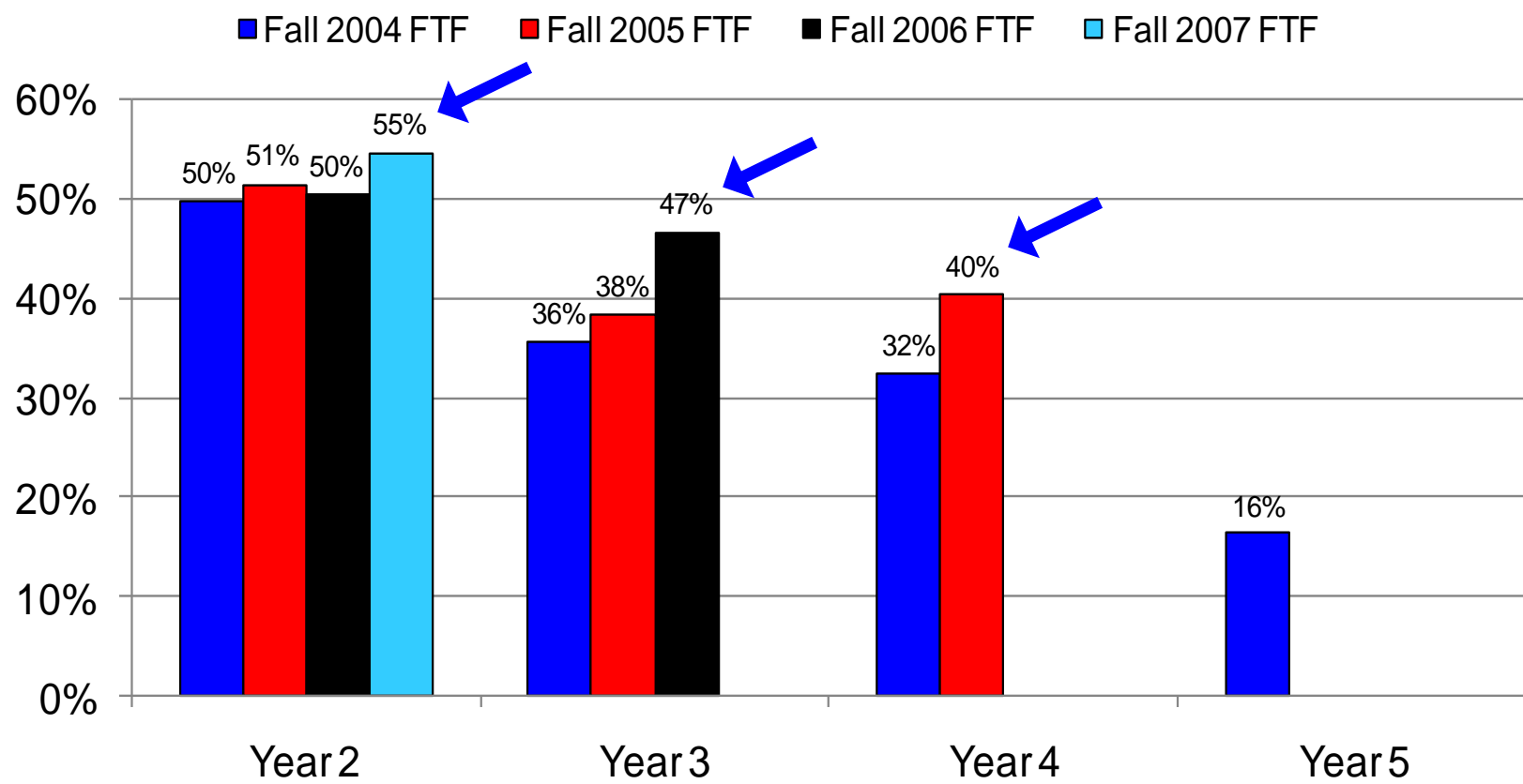


* HOPE, GAMS, ASPIRE and Access. Fall 2008 does not include data on graduates



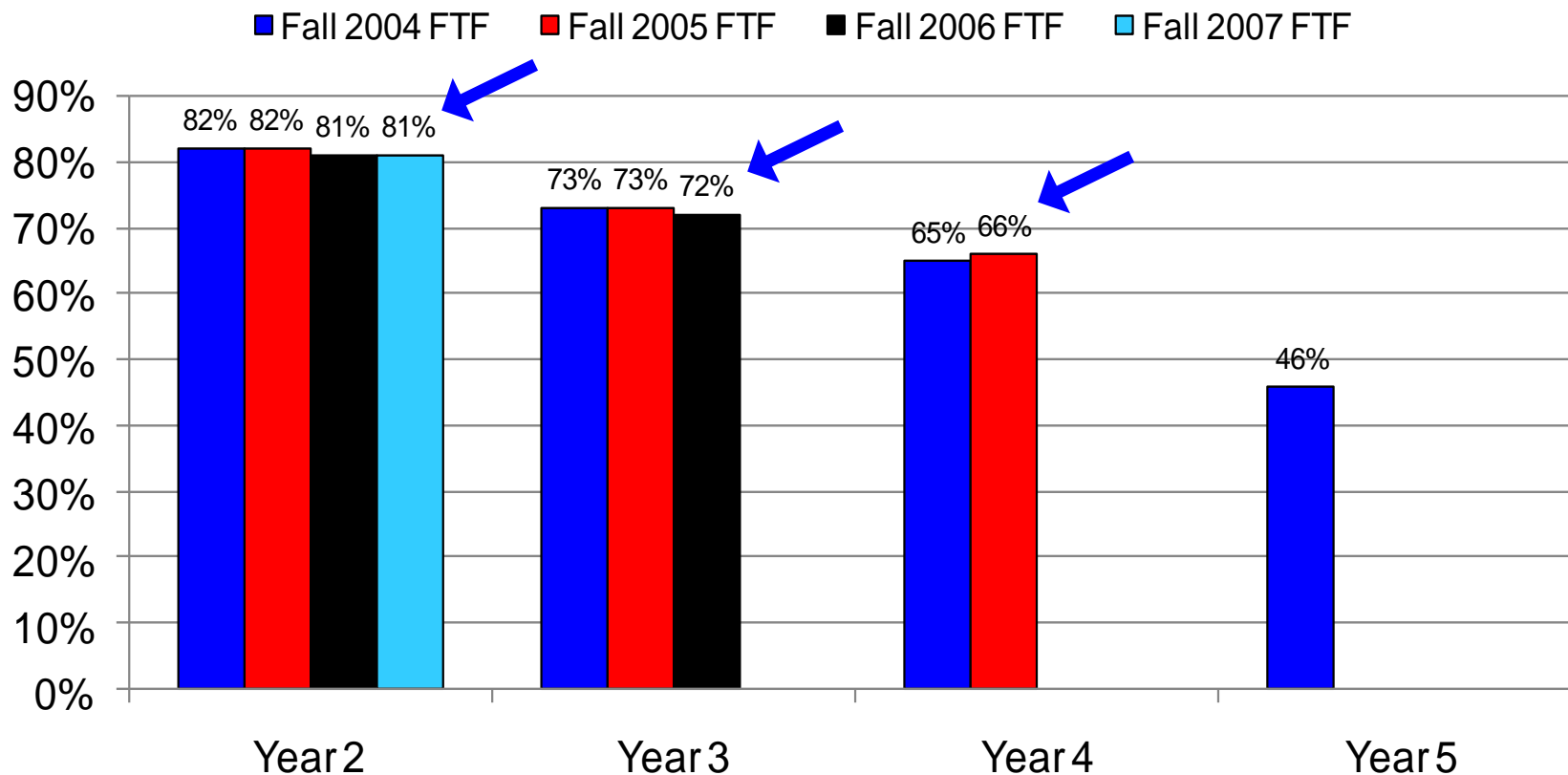


First-time Freshmen Cumulative Scholarship Renewal Rates (All Award Types*)



* HOPE, GAMS, ASPIRE and Access. Fall 2004 FTF Year 5 does not include data on graduates.

First-time Freshmen Cumulative College Retention Rates (All Award Types*)



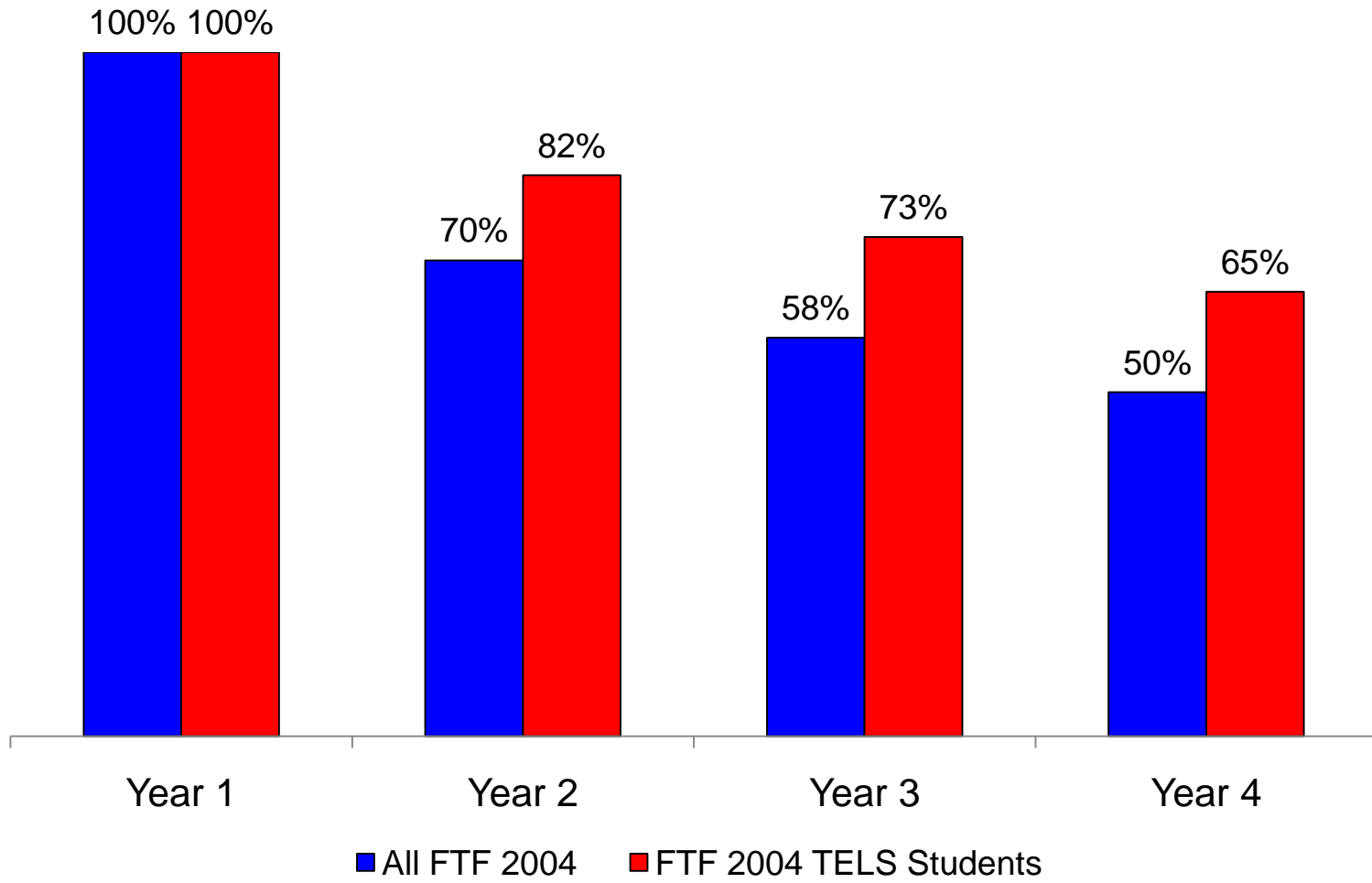
* Public institutions only; HOPE, GAMS, ASPIRE, and Access. Fall 2004 FTF Year 5 does not include data on graduates.





College Retention*

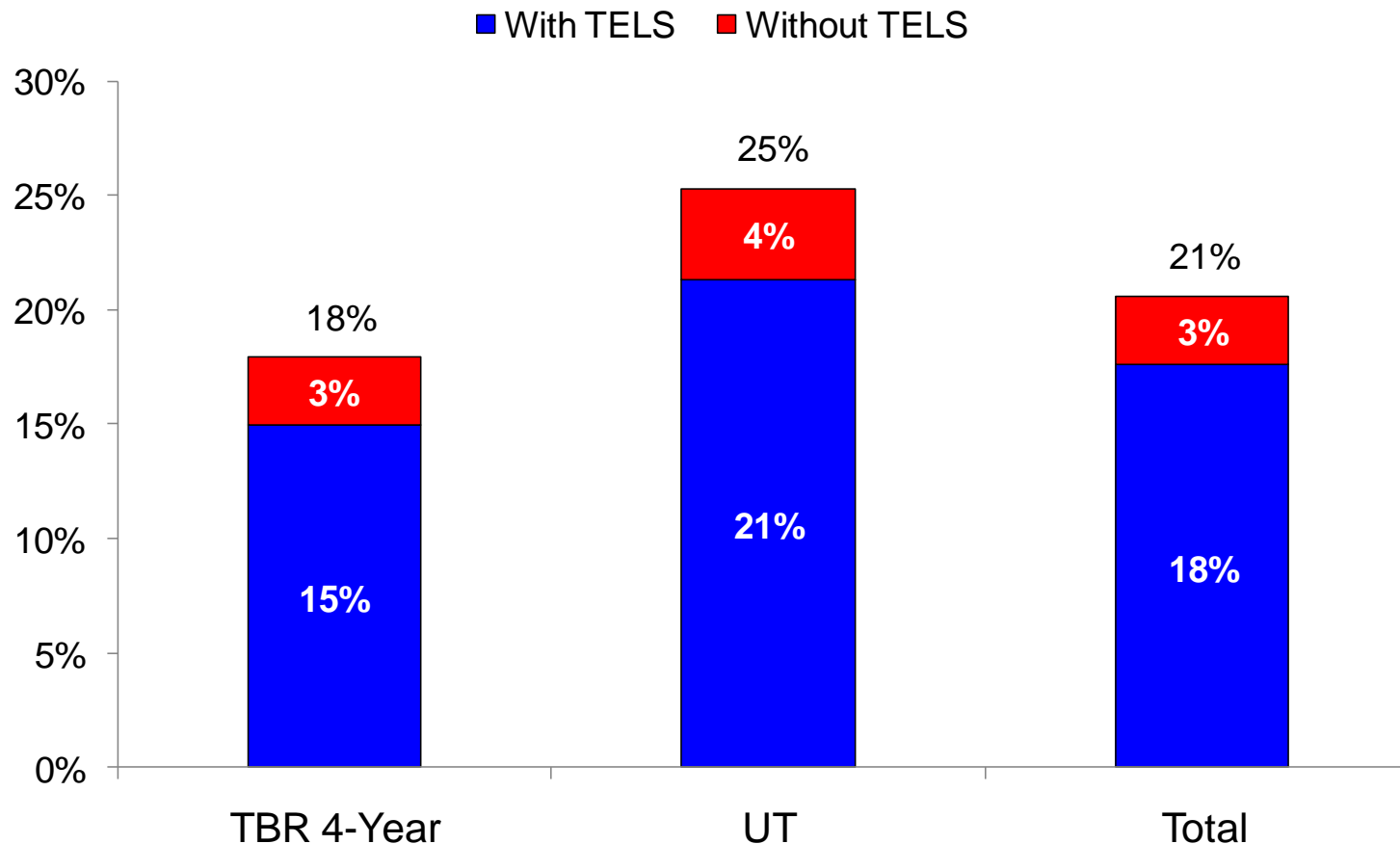
Fall 2004 Lottery Students v. All Students



* Public institutions only; HOPE, GAMS, ASPIRE, and Access awards



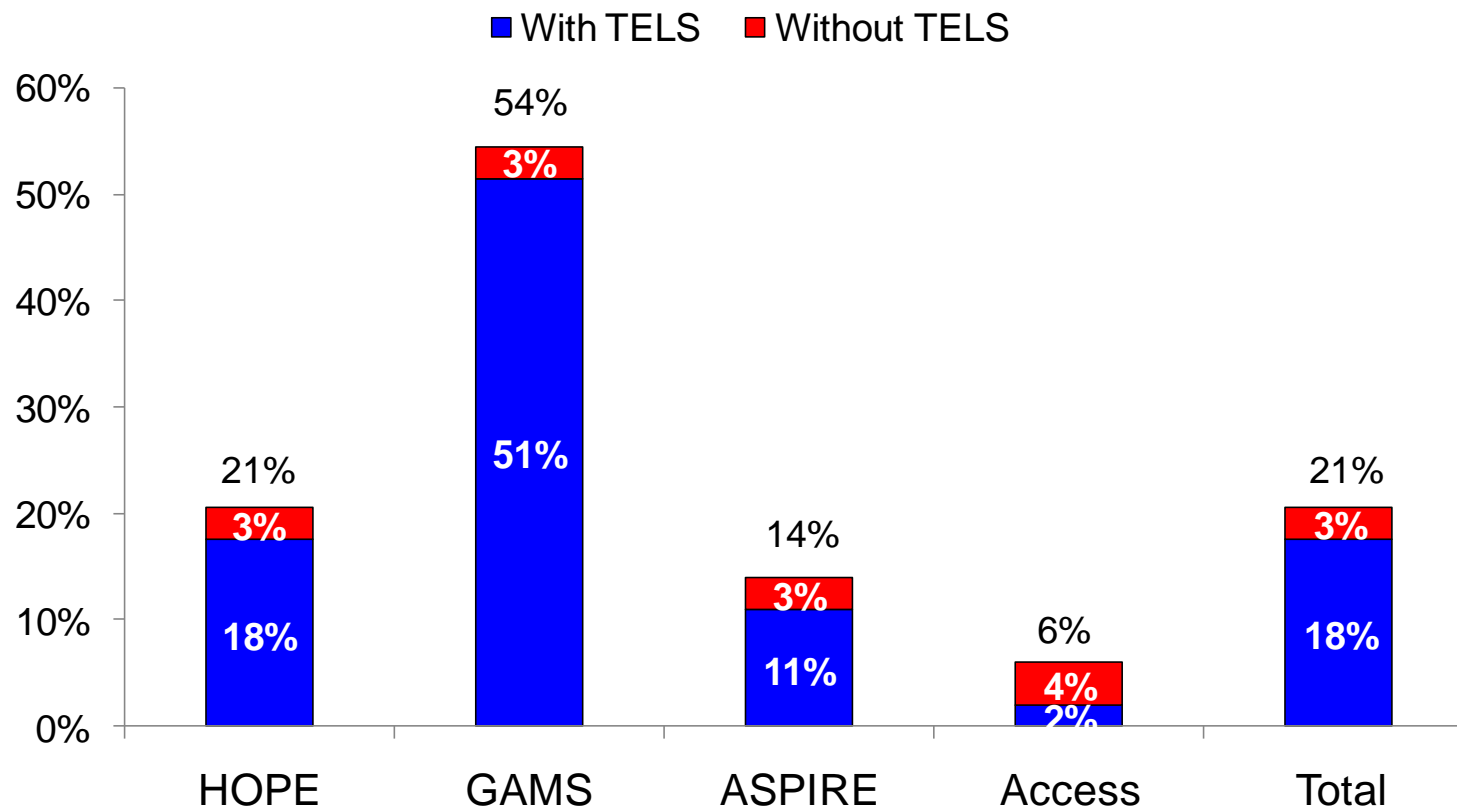
Fall 2004 First-time Freshmen Cohort Graduation Rates (All Award Types*)



* HOPE, GAMS, ASPIRE, and Access.



Fall 2004 First-time Freshmen Cohort Graduation Rates (UT and TBR universities)





Part 1 Summary

- Program now fully populated; similar demographics across cohorts.
- Second year scholarship renewal rates were consistently at 50% across the first three freshman cohorts. In Fall 2008, second year scholarship renewal rates increased to 55%.
- Students meeting both the ACT and high school GPA qualification standards are more likely to retain scholarships than students who met one or the other.
- Half of the inaugural (Fall 2004) freshman cohort kept their award after one year in college; 36% after two years; 32% percent after three years. These rates are lower for Aspire and Access, much higher for GAMS.
 - Scholarship renewal rates increased by 9 percentage points after two years and 8 points after three years following changes to renewal criteria in Fall 2008.

Part 1 Summary



- 82% of Fall 2004 first-time freshmen returned for their second year of college, either with or without the scholarship; 73% after two years; 65% after three years. This trend is consistent among all cohorts.
- Changes in scholarship renewal rates did not affect college retention rates among TELS students.
- 21% of Fall 2004 FTF who began with TELS graduated within four years. Among all Fall 2004 FTF the four year cohort graduation rate was 17%.
- 85% of Fall 2004 FTF who graduated within four years did so with their TELS award intact.

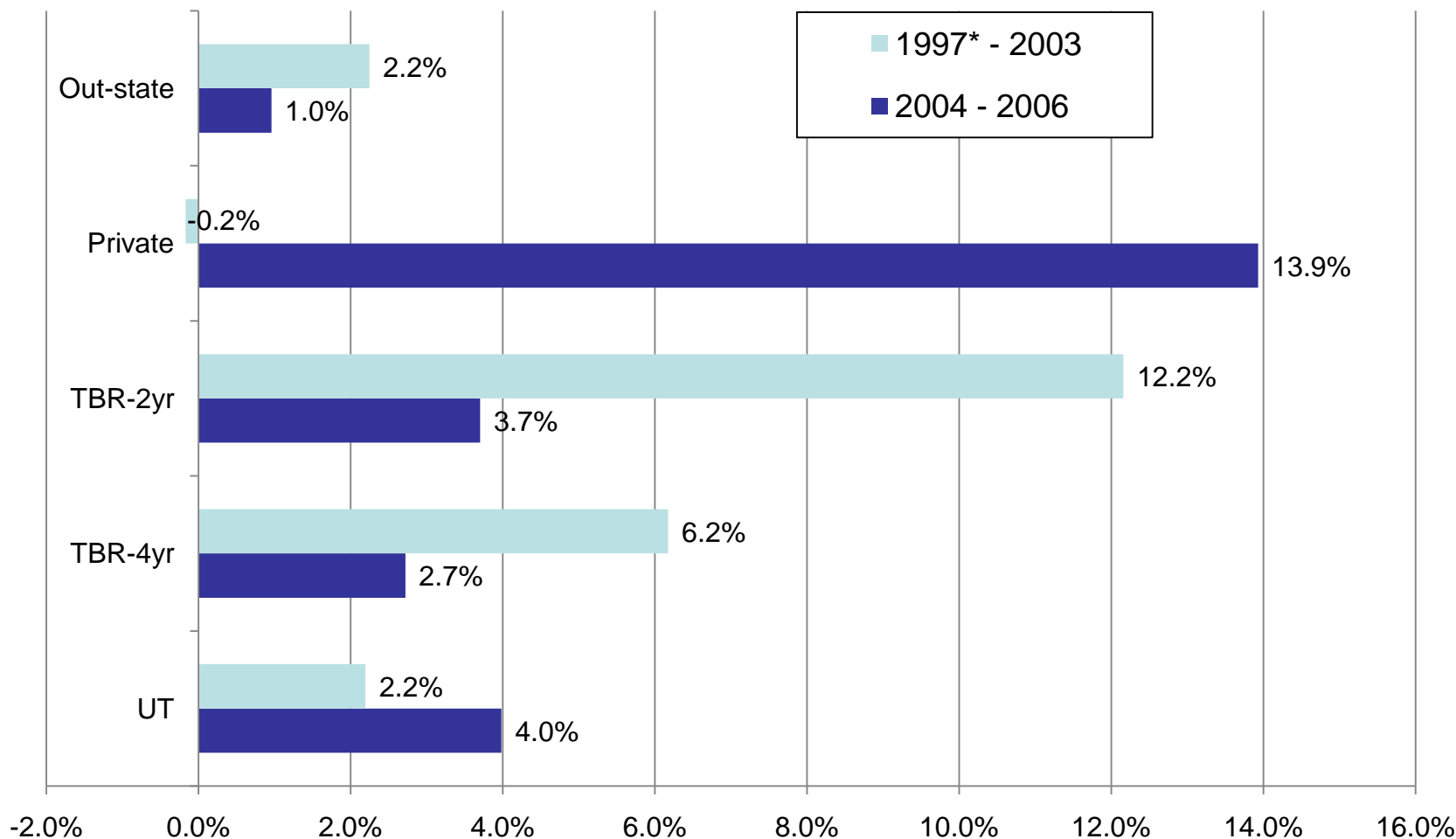


Best and Brightest:

An examination of student
enrollment patterns since the lottery
scholarship



Compound Annual Growth Rates in Tennessee Resident First-time Freshman Enrollment: Pre- and Post-Lottery Scholarship

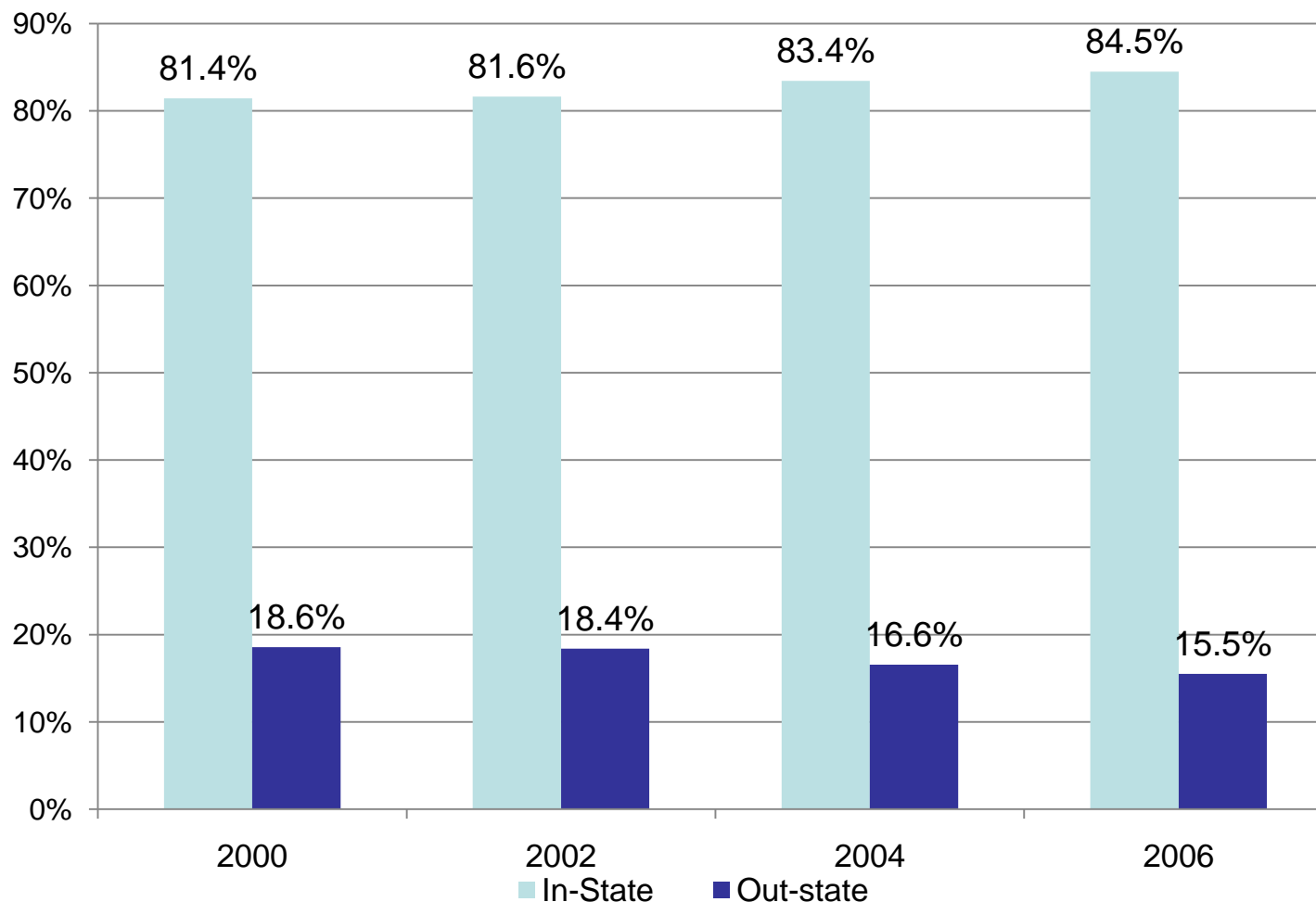


*For private and out-state, the growth rate is based on 1998-2003 due to unavailability of 1997 data.

Sources: IPEDS, THEC 20



Destination of Recent Tennessee High School Graduates Fall 2000 - Fall 2006



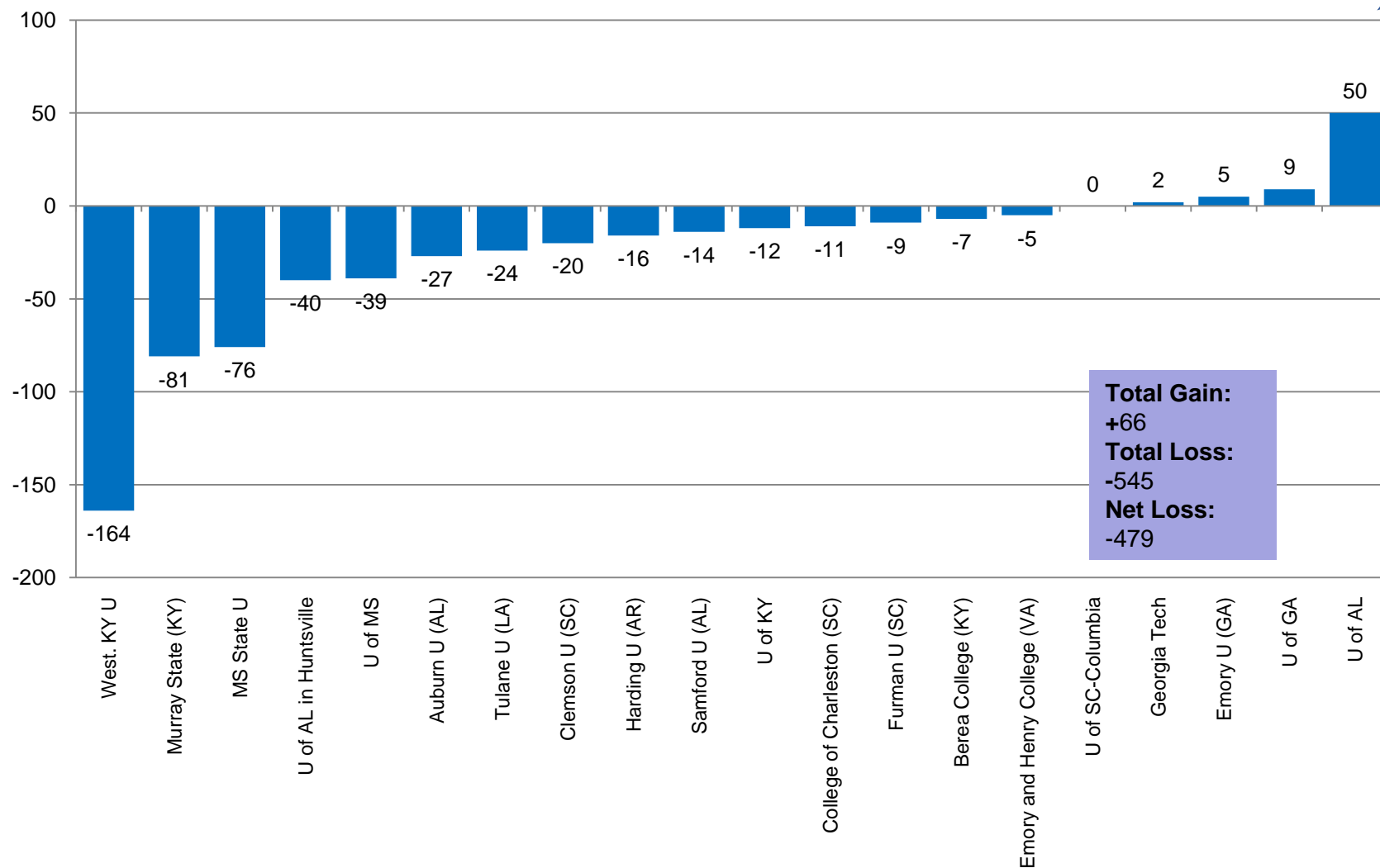
*First-time enrolling freshmen who graduated from high school during past 12 months

Source: IPEDS Residence and Migration Survey





Top 20 Institutions Enrolling the Most Tennesseans in Fall 2002: Change in Tennessee Resident Freshmen from 2002 to 2006



Note: First-time freshmen who graduated from Tennessee high school during past 12 months

Source: IPEDS Residence and Migration Survey





Average ACT Composite Score of Tennessee Resident Freshmen by Institution: 2004 – 2008

(Public Universities)

| Institution | 2004 Average ACT Composite | 2005 Average ACT Composite | 2006 Average ACT Composite | 2007 Average ACT Composite | 2008 Average ACT Composite | % Change 2004-08 |
|-----------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------|
| Austin Peay | 21.4 | 21.5 | 21.7 | 21.7 | 21.4 | 0% |
| East Tennessee | 22.2 | 22.0 | 21.8 | 22.1 | 22.1 | -1% |
| Middle Tennessee | 22.4 | 22.4 | 22.2 | 22.2 | 22.0 | -2% |
| Tennessee State | 18.4 | 17.8 | 18.3 | 17.8 | 17.7 | -4% |
| Tennessee Tech | 22.9 | 23.0 | 22.8 | 22.6 | 22.8 | 0% |
| University of Memphis | 21.3 | 21.5 | 21.6 | 21.9 | 21.8 | 2% |
| TBR Total | 21.8 | 21.7 | 21.7 | 21.8 | 21.7 | 0% |
| UT Chattanooga | 21.7 | 21.7 | 21.6 | 21.8 | 22.2 | 2% |
| UT Knoxville | 24.5 | 25.0 | 25.2 | 25.2 | 25.5 | 4% |
| UT Martin | 22.1 | 21.8 | 21.7 | 21.9 | 22.0 | 0% |
| UT Total | 23.4 | 23.7 | 23.7 | 23.7 | 24.0 | 2% |

* Tennessee resident freshmen 19 and under.

Average ACT Composite Score of Tennessee Resident Freshmen by Institution: 2004 – 2008 (Public Community Colleges)



| Institution | 2004 Average ACT Composite | 2005 Average ACT Composite | 2006 Average ACT Composite | 2007 Average ACT Composite | 2008 Average ACT Composite | % Change 2004-08 |
|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------|
| Chattanooga | 18.8 | 18.2 | 18.2 | 18.2 | 18.1 | -4% |
| Cleveland | 19.1 | 18.9 | 19.3 | 19.3 | 18.9 | -1% |
| Columbia | 19.2 | 19.0 | 19.0 | 19.2 | 19.2 | 0% |
| Dyersburg | 18.4 | 18.5 | 18.5 | 18.8 | 18.5 | 0% |
| Jackson | 18.7 | 18.5 | 18.6 | 18.3 | 18.6 | -1% |
| Motlow | 18.7 | 18.8 | 18.7 | 18.8 | 18.8 | 1% |
| Nashville | 17.4 | 17.5 | 17.3 | 17.4 | 17.5 | 1% |
| Northeast | 18.6 | 18.5 | 18.6 | 18.4 | 19.0 | 2% |
| Pellissippi | 19.8 | 19.6 | 20.0 | 20.0 | 19.7 | -1% |
| Roane | 19.2 | 19.5 | 19.4 | 19.5 | 19.4 | 1% |
| Southwest | 16.8 | 16.7 | 16.7 | 16.7 | 16.6 | -1% |
| Volunteer | 18.7 | 18.6 | 18.7 | 18.7 | 18.8 | 1% |
| Walters | 19.5 | 19.2 | 19.3 | 19.3 | 19.7 | 1% |
| Community College Total | 18.6 | 18.5 | 18.6 | 18.5 | 18.6 | 0% |

* Tennessee resident freshmen 19 and under.

Part 2 Summary



- Since the scholarship, the annual rate of growth in enrollment among Tennessee resident freshmen has accelerated at independent institutions and UT campuses while decelerating at TBR universities, community colleges, and out of state institutions.
- Among recent Tennessee high school graduates who enroll in college, the percentage choosing Tennessee institutions has increased from 82% before the lottery scholarship to 85% in 2006.
- ACT profile of entering freshman class has improved at UT Knoxville, UT Chattanooga, the University of Memphis, and several community colleges.



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